

Russian Foreign Policy in 2020: Strengthening Multi-vectorialism

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DGAP REPORT

EDITED VOLUME BY THE STRATEGY GROUP ON RUSSIA

Russian Foreign Policy in 2020

Strengthening Multi-vectorialism



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LIST OF ABBREVIATIONS

AI	artificial intelligence
BRI	Belt and Road Initiative
CFSP	Common Foreign and Security Policy
CTBT	Comprehensive Nuclear-Test-Ban Treaty
EU	European Union
EEU	Eurasian Economic Union
EUR	euro
GDP	gross domestic product
IISPA	Institute of International Strategy and Policy Analysis
INF	Intermediate-Range Nuclear Forces Treaty
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
JCPOA	Joint Comprehensive Plan of Action, the so-called Iran nuclear deal
FSB	Federal Security Service
NATO	North Atlantic Treaty Organization
RUB	Russian ruble
SME	small and medium-sized enterprises
START	Strategic Arms Reduction Treaty
UK	United Kingdom
US	United States of America
USD	US dollar

DISCLAIMER

The 2020 sessions of the Strategy Group on Russia were organized with the generous support of the Robert Bosch Stiftung. As they took place under the Chatham House Rule, there are no quotes or attributions to any contributor in this paper. Instead, it intends to represent the collective wisdom of the participating experts and to serve as guidelines for the upcoming period.

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Introduction

By András Rácz, Senior Research Fellow at DGAP, and Milan Nič, Head of the Robert Bosch Center for Central and Eastern Europe, Russia, and Central Asia at DGAP

The year 2020 was an unexpectedly turbulent one for the Russian Federation in terms of both domestic politics and foreign policy. The first wave of the COVID-19 pandemic damaged Russia's economy, already hit by low oil prices, and disrupted President Vladimir Putin's political agenda. Domestically, the most visible aspect of this turbulence was a prolonged, somewhat messy process of constitutional change.

Through a national vote that eventually took place on July 1, 2020, Putin secured an option to run for president beyond 2024 when his current mandate expires and rearranged the existing power system in a way that could allow him to maintain control even if he leaves the Kremlin. The constitutional reform also emphasized the primacy of Russian law over international law, moving Russia further away from multilateralism. It underscored the primacy of Russia's domestic agenda and the principle of national self-reliance over foreign policy and engagement with the international system, which is dominated by the West.

Meanwhile, 2020 brought the further multi-vectorialization of Russian foreign policy, which is highly likely to continue in 2021. While cooperation with China has been progressing, the poisoning of leading opposition activist Alexei Navalny caused further strain to Moscow's relationship with the European Union. The increased political tensions resulted in the introduction of new sanctions and even called the completion of the Nord Stream 2 pipeline – a collaboration of high symbolic value – into question. The US presidential elections held on November 3 resulted in the victory of Joe Biden. Under Biden's administration, US policy on Russia is likely to be more consistent and tougher than in the past four years of his predecessor, Donald Trump.

Moscow's long-term efforts to diversify its foreign policy portfolio, turn away from Europe, and build-up other partnerships and non-Western vectors in its diplomacy were the focus of DGAP's Strategy Group on Russia in 2020. Its sessions were chaired by MP Manuel Sarrazin, a member of the Foreign Relations Committee of the German Bundestag.

Three developments justified the choice of this focus for the Strategy Group one year ago:

1. Limited progress in diplomatic efforts aimed at resolving the conflict in eastern Ukraine
2. French President Emmanuel Macron's initiative to improve France's bilateral relations with Moscow (as a pretext to improve EU-Russia relations)
3. The German EU Presidency in the second half of 2020

In December 2019, the leaders of Russia, Ukraine, Germany, and France met in Paris in the so-called Normandy Format – the first such meeting in three years. Although no breakthrough was achieved, this meeting helped bring a lasting ceasefire to the Donbass and established a roadmap for a follow-up summit. It also created conditions for a package deal in EU-brokered talks on the transit of Russian gas via Ukraine, which was signed between Moscow and Kyiv only days before the old contract expired on January 1, 2020. The Paris summit was considered to be a sign of Moscow's pragmatism and good will toward Germany and France. Without committing to any concessions over eastern Ukraine, Moscow was testing the extent to which major EU powers are exhausted with the conflict in the Donbass and ready to bargain over the gradual alleviation of EU sanctions in order to normalize their relations with Russia. At the same time, German diplomacy needed Moscow's cooperation in its diplomatic process to contain escalating armed conflict in Libya, which led to the high-level international conference in Berlin in January 2020 that was attended by all the main external actors.

From a longer-term perspective, however, Moscow clearly considers its relations with Europe much less important than it did a decade ago. Russia's gradual reorientation of its foreign policy and its intensification of relations with non-Western partners already started in the early 2010s. In the aftermath of Russia's 2014 annexation of Crimea and the onset of war in eastern Ukraine, these processes intensified as relations with the West cooled.

The 2020 outbreak of the coronavirus brought disruption. The pandemic overshadowed many political processes and decisively influenced others. As mentioned above, Russia's economy and political processes have been hit particularly hard by COVID-19. The virus had several effects on Russia's foreign policy, too. In addition to generally complicating international diplomacy, the first wave slowed down the transformation of Russia's domestic political landscape, which is also an issue of key importance for Moscow's foreign partners.

Since the pandemic started raging within the Russian Federation, Moscow has taken the opportunity to conduct “coronavirus diplomacy” in the field of foreign policy – often together with China. It poses as a country that is ready to help the “incapable” and “unprepared” West with medical and protective equipment. As of late 2020, Russia has been actively promoting its own Sputnik V vaccine worldwide in addition to starting a national vaccination program in December.

In its June 2020 meeting, the Strategy Group assessed the state of EU-Russia relations in light of recent developments, especially the commencement of Germany’s EU Presidency on July 1. According to **Tatiana Romanova**, an associate professor at St. Petersburg State University, the bitter alienation of EU-Russia relations since 2014 has become the new normal, particularly as the crisis in Ukraine constitutes a lasting obstacle to any normalization of bilateral ties. Further key hindrances are mutual sanctions, the situation in the Middle East, the lasting influence of the United States on Europe, and the ongoing economic disengagement between the EU and Russia. As Romanova’s assessment came before the Navalny case, one can only agree that her forecast of a lack of any perspective for a major improvement in bilateral relations was accurate.

An update on perspectives for EU-Russia relations after the Navalny poisoning is provided by **Sarah Pagung**, associate fellow of the German Council on Foreign Relations. She argues that the Navalny case was a catalyst for the mistrust that had already built up between Europe and Russia. It thus marked the end of any kind of special relationship between the two – and with Germany, in particular – for the foreseeable future. The strategic partnership still promoted by French President Emmanuel Macron in 2019 has been fully replaced by a policy of mutual sanctions. This is unlikely to change anytime soon. As Russia does not perceive the European Union as a serious foreign policy player, it does not even strive to improve its relations with the EU – no matter how much key EU leaders and institutions try. This situation leaves the EU with only one realistic option: considerably strengthening its own foreign policy, security, and even defense policy while not falling into the trap of selective engagement on a purely bilateral level, which would help Moscow to divide member states.

Because Russia’s efforts to set its foreign policy on increasingly multi-vectorial ground have been largely focused on China, the September session of the Strategy Group was dedicated to this topic. Hence, two chapters of

this report deal with the perspectives for further intensifying Russia-China relations. Independent expert **Natalia Chabarovskaya**¹ argues that both trade and energy relations demonstrate the increasingly asymmetric relationship between Moscow and Beijing, clearly favoring the latter. She sees technology and the military as the most promising and mutually beneficial fields for bilateral cooperation. Although Moscow and Beijing share opinions on many international issues, she points out that they are careful not to become entangled in each other’s complicated positions on the global stage. In his chapter, **Niklas Swanström**, director of the Institute for Security and Development Policy in Stockholm, looks at this relationship from the Chinese side and comes to a similar conclusion: in terms of geopolitics, the current constellation provides what both Moscow and Beijing actually want. Strategic collaboration in technology and around the digital economy is mostly driven by China, but there are important exceptions. In the area of robotics, as well as in some arms and missile systems, Russian technology is still ahead – at least for a few more years. Given the shortage of Russian resources for research and innovation, it is merely a matter of time before China catches up. Aware of this limited window for profit, Moscow recently reduced restrictions on sensitive arms sales to Beijing and increased joint production of the latest military technology. Meanwhile, China sees learning from Russian experience with military combat, cyber operations, and disinformation campaigns as an increasingly valuable asset.

The last two chapters, written in November, are dedicated to the foreseeable future of US-Russia relations following the election of President Joe Biden. **Angela Stent**, director of the Center for Eurasian, Russian, and East European Studies of Georgetown University, argues that, while trying to forecast US-Russia relations in the Biden era, one first needs to remember that there will be plenty of continuity in the Russia agendas of the US administrations, as well as lasting personal continuity on the Russian side. The Biden administration will put major emphasis on the New Strategic Arms Reduction Treaty (New START) and recommit the United States to the Paris Accords to counter climate change. The Arctic may serve as an area of possible US-Russia cooperation, as may the fight against COVID-19, particularly if the United States rejoins the World Health Organization. Stent notes that every new US administration since 1992 has tried its own “reset” with Russia, but all of these efforts ended with disappointing results.

According to **Andrey Kortunov**, director general of the Russian International Affairs Council, the Biden administra-

1 A pseudonym for a leading Russian expert on China, who preferred not to publish under a real name.

tion may follow a mixed policy vis-à-vis Russia. He argues that, on some issues – particularly, nuclear arms control – relations may actually become more pragmatic than they were under President Donald Trump. Meanwhile, in other fields, Washington is likely to play hardball against Moscow, for example, in Russia's neighborhood. Besides, the United States will probably continue to put pressure on China, which may well result in a "dual containment" policy aimed against both Moscow and Beijing.

The final chapter includes an update on how Russia has been dealing with the pandemic at the end of 2020, plus some lessons learned from the year's Strategy Group sessions.

One of the main takeaways is that, although 2020 has been hard and resulted in further deterioration of EU-Russia relations, 2021 is unlikely to be any better. There are four main reasons for this:

- First and foremost, Moscow is no longer interested in maintaining good relations with the West, including Europe. Russian leaders – and security services that play a dominant role in decision-making – continue to focus on hard security matters and consider Europe to be a weaker partner. They are unwilling to make any concessions on the conflict in Donbass or any other regional issues that are important for Europeans. Also, they remain convinced that the West has entered a period of irreversible decline and, consequently, that time is on their side.
- Second, the new US administration is likely to conduct a tougher, more coherent foreign policy vis-à-vis Moscow, in particular in the aftermath of the recently discovered and not yet fully understood hacking attacks against US governmental servers in 2020. Such an approach will induce similar Russian counterreactions. Still, such policy may, over time, be more predictable than that of the Trump era. It may even lead to more cooperation in areas of mutual interest, e.g. climate change. In the short term, however, this predictability is likely to mean steadily cold relations, in which cooperation will be limited to only the most urgent issues, in particular, arms control.
- Third, the case of Alexei Navalny – his poisoning and especially his recent detainment in Russia – will prevent the EU and Germany from moving toward more dialogue and selective engagement. In other words, the EU is unlikely to make any concessions. Also, due to the upcoming Duma elections, the Kremlin cannot afford to look weak by making a compromise either. Thus, further diplomatic pressure and even sanctions from the

EU are in the cards. Over time, and as long as the EU retains its unity toward Russia, this could lead to more engagement and bargaining with the Kremlin – also on European terms. In Moscow, Germany is still seen as the main interlocutor for the EU; a new chancellor will be seen as "somebody to talk to" and present an opening for repairing the relationship. While the interim period until Germany's parliamentary elections in fall 2021 should be used to develop soft topics and a forward-looking agenda, it would be naïve to expect that the "old topics" will simply go away.

- Fourth, from Russia's perspective, its increasingly strong cooperation with China – as well as with Turkey and other powers – is indeed bearing fruit. Therefore, Moscow is likely to continue to multi-vectorialize its foreign policy and trade. Russia will also use this multi-vectorialization to demonstrate less dependence on the West in a world in which global power relations are rapidly shifting.

Of course, these factors do not mean that Germany's limited engagement with Russia will become impossible – particularly on issues of mutual interest, such as fighting COVID-19 and climate change. It will, however, be important to avoid cross-topic concessions. Progress on issues related to combating the pandemic, cooperating on vaccines, or tackling climate change should not result in Germany weakening its support for human rights, democratic values, and regional issues.

Both authors would like to express special thanks to Alena Epifanova, researcher and program manager, as well as Marina Solntseva, project assistant at DGAP's Robert Bosch Center for Central and Eastern Europe, Russia, and Central Asia, for their continuous support and important input to the Strategy Group on Russia project.

Outlook on EU-Russia Relations Ahead of the German EU Presidency

By Tatiana Romanova, Associate Professor
at Saint Petersburg University

A NEW NORMAL INSTEAD OF “BUSINESS AS USUAL”

At present,² EU-Russian relations are characterized by bitter alienation, which has become the new normal. The EU's occasional statements about not returning to “business as usual” until Russia changes its policies (in particular, in Ukraine) are met by lack of interest from the side of Russian representatives in that “business as usual.” The EU expects relations to eventually return to the pattern by which Russia was to become similar to the EU through reforms; this return is mostly associated with internal transformations in Russia. For their part, officials in Moscow await a fundamental overhaul of the relationship, believing that current global turbulence is transforming everything, including the domination of the West. Conceptual discussions between the EU and Russia on key issues – including the rules-based order and multilateralism, as well as the interpretation of history, especially that of the Second World War – will remain acute. No resolution of these debates is in sight.

Divergent assumptions have caused the EU and Russia to adopt a wait-and-see attitude, with occasional attempts at “selective engagement” and resilience (in the EU's jargon) or “pragmatic cooperation” on the basis of “equality” (as Russia prefers to call it). Yet, none of these categories enables a medium-term, let alone long-term, policy. The scope of selective engagement/pragmatic cooperation has never been

delineated. Resilience to Russia-related threats is used to describe varying EU policies from isolation to more transnational engagement – for example, in business and civil society. Russia does not specify what equality means in practice. Mutual trust remains at a record low.

The ongoing crises related to COVID-19 did not change these dynamics in favor of more cooperation to counter common threats. Instead, we have seen more of the same: mutual allegations of disinformation, accusations of Russia-led cyberattacks, critique of the disrespect for Russian/Soviet memorials, and mutual economic disengagement to cite only a few examples. Russia's attempts to improve its public image in the EU through medical assistance to Italy during the spring 2020 COVID-19 pandemic hardly changed the situation; rather, it provoked more critique that Russia was waging an information war, conducting intelligence operations, and seeking to promote disunity in the EU. Moscow was also unsuccessful in its attempts to exploit the COVID-19 pandemic to relax the sanction regime.

FOREIGN POLICY FACTORS HAMPERING THE IMPROVEMENT OF EU-RUSSIA RELATIONS

Globally, the United States remains the key player for Russia in the areas of foreign policy, security, and defense. Russia's primary security concern is the erosion of arms control where Washington is the key interlocutor. In the meantime, the EU's security and defense ambitions remain modest. French President Emmanuel Macron's plans of closer (security) cooperation between the EU and Russia are praised in Moscow, but they do not look credible in the absence of wide EU backing. Moreover, they implicitly assign Russia the role of junior partner to the EU while lecturing Moscow on its interests, which also provokes a negative reaction. In addition, the Joint Comprehensive Plan of Action (JCPOA) on Iran clearly demonstrates that no deal survives in the absence of US support,³ further undermining the EU's political attractiveness to Russia. Because Russia remains a toxic topic in the United States, US-Russian relations are unlikely to fundamentally change. This constellation, in turn, also prevents any major development in EU-Russian relations.

Improvement of EU-Russian relations is also blocked by the conflict in Ukraine, which is a reflection of wider security debates in Europe. As the costs of the conflict are piling

² This chapter was finished in May 2020. It thus reflects the situation of EU-Russian relations at that time.

³ The Ministry of Foreign Affairs of the Russian Federation, “Press release on the meeting of the Joint Commission of the Joint Comprehensive Plan of Action,” May 25, 2018: <https://www.mid.ru/en/magat/-/asset_publisher/km9HkaXMtium/content/id/3234684> (accessed December 2, 2020).

up, both Moscow and Kyiv seem interested in advancing a partial solution. For Russia, implementation of the December 2019 Normandy Summit's decisions⁴ is a precondition for any further discussion. But, so far, only prisoners have been exchanged and the ceasefire is still only partially respected. Fierce debates on the modalities of the implementation of any decision severely limit Ukrainian President Volodymyr Zelensky internally. Some hopes are linked to the changed membership of the Contact Group on both Russian and Ukrainian sides and to a new consultative mechanism, which includes German and French representatives, thus legitimizing respective discussions in Ukraine. Yet, progress will be piecemeal as the positions of both sides are entrenched.

The situation in the wider Middle East will continue to impact EU-Russian relations in a non-constructive way. Tension in the Idlib region of Syria, which escalated between Russia and Turkey in February 2020, forced Turkish President Recep Tayyip Erdogan to unblock refugee flows to the EU. The fear of a new massive influx of migrants to Europe was short-lived this time as Russia and Turkey reached an agreement, and the EU confirmed its funding to Turkey. Yet, the conflict between forces led by Syrian President Bashar el-Assad and supported by Russia and opposition groups (including extremist ones) that are backed by Turkey is likely to intensify again with a potential new influx of illegal migrants to the EU. Libya is another point to watch; there, the EU plays a more active role but any settlement is far away.

ECONOMIC DISENGAGEMENT

EU-Russian economic disengagement is crucial. From 2013 to 2019, the EU's exports to Russia decreased by 27.1 billion EUR while imports fell by 54.6 billion EUR.⁵ EU sanctions and Russia's countersanctions have destroyed previously existing interdependence, in many cases for good. Consequently, Russia's trade diversification toward Asia, which had started well before 2014, has intensified. On the EU's side, the biggest disengagement factor is energy. Concerns about Russia led to the diversification of gas supply. The EU's energy transition is marketed as a way to ease its dependence on Russia. Much will depend on how the Green Deal will be shaped in 2020. Will Russia and its gas play a role, thus moving relations into a new gear, or will they be left aside? In light of these questions, the controversial developments around the Nord Stream 2 pipeline are sec-

ondary. The economic consequences of the pandemic will further negatively affect economic relations. As a result, EU-Russian economic interdependence, which has long provided a safety net for EU-Russian relations, will gradually disappear.

The effect of sanctions on the EU and Russia is limited but negative, with costs piling up as time goes on. The Russian economy has stabilized following the increase in oil prices after 2014. Still, sanctions have decreased Russian economic growth by at least 0.2 percent annually. Limits on the access to capital and technological transfers from the West could reduce Russian GDP by 9 percent in the long term. The current pandemic has already resulted in some economic recession and the devaluation of the ruble; accelerated inflation and constrained economic growth are sure to follow.

Strained US-Russia relations remain decisive in shaping Russia's economic relations with the European Union too, irrespective of the EU being Russia's biggest trade partner. US secondary sanctions will deter EU companies from dealing with Russia even if (or when) the EU decides to use restrictive measures in a more flexible way, i.e. by lifting some of them.

Losses and gains from economic restrictions are unevenly spread. Losses in Russia were incurred by both citizens and small and medium-sized enterprises (SMEs). Food inflation accelerated while the quality of some products depreciated; agricultural import substitution costs every Russian citizen 3,000 RUB annually. Yet sanctions led to massive programs of import substitution (including in equipment used in oil and gas production) and to budgetary allocations to the military industry. Russian farmers benefited from countersanctions with Russia ensuring its food security. These stakeholders are now interested in preserving sanctions. Similarly, there are opinions that the Russian financial market could suffer if sanctions are removed too swiftly. From 2014 to 2018, the EU lost about 0.2 percent of GDP because of Russian restrictive measures. These losses are unevenly distributed among member states.

MUTUAL LACK OF TRUST AND SOCIETAL INTERACTION

EU-Russian relations are strongly affected by new threats, including disinformation and cyberattacks, which reflect the breadth of transnational contacts and the importance of

⁴ President of Russia, "Paris 'Normandy' Summit Common Agreed Conclusions," December 9, 2019: <<http://en.kremlin.ru/supplement/5465>> (accessed December 2, 2020).

⁵ European Commission, "European Union, Trade in goods with Russia," February 1, 2020: <https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_russia_en.pdf> (accessed December 2, 2020).

new technologies. Accusations of disinformation are harsh on both sides. Parties are concerned about the potential destabilization of their internal processes, paying less attention to the differentiation between fake news and expressing opinions. The problem became more acute during the pandemic. Russia is also regularly accused of cyberattacks but refutes these accusations on the basis that the evidence provided is insufficient and that the alleged hackers have nothing to do with the state. Any international legal solution to the problem is far from reach. The atmosphere of mistrust exacerbates the problem. In these circumstances, the timing when relevant incidents are made public, the amount of evidence that is requested and furnished, as well as responses that are adopted, remain of crucial political importance.

The lack of social interaction contributes to poor relations. Civil society contacts are limited due to the skeptical attitude of Russia, the need to obtain visas, and costs of international travel. The pandemic further exacerbated this problem, making socialization among people even more limited. Under these circumstances, people on both sides remain easy targets of opinion manipulation and disinformation. In the EU, positive views of Russia currently range from 12 percent (Swedes) to 73 percent (Bulgarians) with the EU's average at around 31 percent.⁶ In Russia, however, opinion polls have recorded a growth of positive attitude to the EU among Russian citizens (from 32 percent in January 2018 to 49 percent in January 2020),⁷ which illustrates that anti-Western stances are ceding their position to more mundane demands for economic growth.

FURTHER DISENGAGEMENT DUE TO THE COVID-19 PANDEMIC

The COVID-19 pandemic will have a huge economic impact on both the EU and Russia. Their responses are different and will indirectly affect their relations. Russia preferred to respond to the current health crisis with regulative measures with limited distribution from the state budget. Depreciated standards of living and higher unemployment have drastically decreased Russian President Vladimir Putin's approval rating. This is one reason why the Kremlin is hurrying to hold the public vote on constitutional changes that will, among other things, open a possibility for Putin to make another run for the presidency. But the Russian regime seems to underestimate societal sentiments.

Massive unrest is not in sight, but crime rates are going up and the voice of those advocating stability in Russia is weakening. Economic recovery and solidarity will remain the EU's biggest concern, distracting it from Russia. EU national recovery measures have been widely debated in Russia and are contrasted with those adopted by Moscow. Suggested EU-level reforms to finance the recovery consolidate the integration process; their success will affect the EU's credibility and attractiveness as an economic partner in the eyes of the Russians. Yet, none of these changes point in the direction of a foreign policy change in Russia.

⁶ Pew Research Center, "Russia and Putin receive low ratings globally," February 7, 2020: <https://www.pewresearch.org/fact-tank/2020/02/07/russia-and-putin-receive-low-ratings-globally/> (accessed December 2, 2020).

⁷ Levada Center, "Otnosheniye k stranam" [Attitude to countries], February 18, 2020: <https://www.levada.ru/2020/02/18/otnoshenie-k-stranam-6/> (accessed December 2, 2020).

EU-Russia Relations: Facing the Reality

By Sarah Pagung, Associate Fellow
of the German Council on Foreign Relations (DGAP)

The poisoning of Russian opposition politician Alexei Navalny in August 2020 again caused a visible worsening of EU-Russia relations. The EU implemented sanctions against six Russian individuals as well as a state research institute that October. Russia answered by sanctioning French and German government officials. But the diplomatic crisis following the Navalny case is only a symptom of a development that already started in 2019.⁸ As Germany grew disillusioned over Moscow's handling of the 2019 murder in Berlin's Kleiner Tiergarten park, France was disappointed over the failure of its reset policy with Russia. Despite this change in attitude among its leading nations, the EU's Russia policy remains contradictory and limited in its capacity to act. Sanctions are of moderate impact⁹ and EU policy is undermined by projects such as Nord Stream 2 or Hungary's flirt with Russia's illiberal policy.

THE END OF A SPECIAL RELATIONSHIP

After a German Bundeswehr laboratory confirmed that Navalny was poisoned by the nerve agent Novichok, Chancellor Angela Merkel strongly condemned this attack and demanded investigations by Russian authorities.¹⁰ As Merkel is known for careful and prudent language, this clear state-

ment attracted national and international attention. Previously, in May 2020, Merkel also clearly denounced a Russian cyberattack on the German Bundestag that took place in 2015. This change in rhetoric is the result of the so-called Tiergarten murder in 2019. In August 2019, the Russian citizen Vadim Krasikov killed the former field commander of the Chechen conflict Zelimkhan Khangoshvili in broad daylight in a Berlin public park. The indictment of Germany's Federal Prosecutor's Office accused Russian secret services of ordering and assisting in the murder.¹¹ After the attack, Berlin sought the help of Russian authorities in the investigation and – unlike the UK in the Skripal case – did not accuse or criticize the Russian state publicly. Instead of offering cooperation, Moscow's answer consisted of denials and the false accusation that Berlin refused to work with Russian authorities.¹² Germany had to learn that its close diplomatic ties and special relationship was not of any value in this crisis. Merkel's bold speech following the Navalny case in 2020 is the consequence of this failure.

FROM STRATEGIC PARTNERSHIP TO SANCTION POLICY

In June 2019, French President Emmanuel Macron announced a new strategic partnership with Russia, establishing a so-called structured dialogue with several working groups. The French approach of "strategic dialogue and firmness" mirrored the core aspect of Former EU High Representative Federica Mogherini's principles of selective engagement.¹³ Macron wanted to revive EU-Russia relations as sanction policy after the Ukraine crisis had not produced any change in the Russian regime's behavior.¹⁴ But the initiative failed to produce any results as French Defense Minister Florence Parly admitted in July 2020. It did, however, cause alienation among France's European partners. In particular, Central European countries and the Baltic states considered the initiative as a bilateral forum to discuss multilateral issues that are their core security interests. After Navalny was poisoned, France paused the dialogue with Russia and instead, together with Berlin, drove new EU sanctions against Russia.

⁸ This chapter was finished in December 2020. It thus reflects the situation of EU-Russia relations at that time.

⁹ Dr. Alan Riley, "Impact and Effectiveness: Sanctions on Russia 2014–2020," Henry Jackson Society, December 2020: <<https://henryjacksonsociety.org/publications/russia-sanctions/>> (accessed December 11, 2020).

¹⁰ Iain Rogers, Raymond Colitt, Patrick Donahue, "Merkel Demands Kremlin Answer After Poison Found in Navalny," Bloomberg, August 24, 2020: <<https://www.bloomberg.com/news/articles/2020-08-24/merkel-demands-kremlin-answer-after-poison-found-in-putin-critic>> (accessed December 11, 2020).

¹¹ Vladimir Esipov, "Death in Berlin: Russian goes on trial for murder of exiled Chechen," Deutsche Welle, July 10, 2020: <<https://www.dw.com/en/berlin-russia-murder-chechen-dissident/a-55165044>> (accessed December 11, 2020).

¹² "Russland hat nie einen Auslieferungsantrag gestellt" [Russia never submitted an extradition request], *Zeit Online*, December 19, 2019: <<https://www.zeit.de/politik/ausland/2019-12/mord-kleiner-tiergarten-russland-wladimir-putin-auslieferungsantrag>> (accessed December 11, 2020).

¹³ Claire Demesmay, Milan Nič, "Macron Looks East," DGAP Commentary, October 2, 2020: <<https://dgap.org/en/research/publications/macron-looks-east>> (accessed December 11, 2020).

¹⁴ Andrew S. Weiss, "Russia and Europe: Stuck on Autopilot," Carnegie Endowment for International Peace, September 24, 2020: <<https://carnegieendowment.org/2020/09/24/russia-and-europe-stuck-on-autopilot-pub-82773>> (accessed December 11, 2020).

NEW REALITIES

Both France and Germany had come to realize that their approaches toward Russia failed. Like the EU in general, they missed the chance to adapt to new realities in relations between Russia and the Union and, more specifically, in the post-Soviet space. In 2016, in reaction to the Ukraine crisis, the EU agreed on the so-called Mogherini Principles, which essentially represent a mix of containment and engagement. Nevertheless, the past five years have shown that possible cases for engagement rarely lead to a situation that can be described as minimal rather than selective engagement. In areas where the EU and Russia have interests, these either contradict each other – like in the Common Neighborhood and Libya – or, despite having common interests – like in the Iranian nuclear deal – both parties ultimately lack the leverage to enforce them.

Moreover, Russia is not interested in building long-term alliances as this is perceived as a weakening of national sovereignty. Instead, Russia prioritizes short-term tactical advantages as illustrated by the disinformation campaign against Macron during the French presidential election or against Germany in the Kleiner Tiergarten murder case. Both France and Germany have been strong advocates for good relations with Moscow for decades. But Russia increasingly affronts these two powers. Now, Moscow mainly relies on two types of states within the EU to further its interests: either states like Hungary that are in conflict with Brussels and rely on Russia for balancing purposes, or states like Cyprus that do have close economic and political ties with Moscow and, thus, can be made useful through influence and corruption.

RUSSIA DOES NOT SEE THE EU AS A SERIOUS PLAYER

The recent war in Nagorno-Karabakh has further illustrated new realities in the Common Neighborhood. While the EU lacks the power and will to engage in the South Caucasus, Russia's foreign policy has evolved to be more mature and effective. Moscow's foreign policy has become less based on aggressive influence and proxy wars and more on efficiently calibrating and instrumentalizing power balances in its neighborhood. When the EU and Armenia signed the Comprehensive and Enhanced Partnership Agreement in

2017, Moscow did not object. Armenia seemed to walk a path between Russia and the EU, closely cooperating with and benefiting from both of them. But after Azerbaijan attacked the territories of Nagorno-Karabakh held by Armenian forces, the country's dependence on Russia was unmissable. Despite a conflict driven by support by Turkey for Azerbaijan, Moscow maintained the escalation dominance in the region. In contrast, the EU did not play any crucial role. There are two reasons for this. First, against the backdrop of the COVID-19 pandemic and internal conflict on the rule of law and migration, the EU lacks both the political will to engage and concepts on how to engage. Second, even with political will and concepts, the EU does not have the leverage to implement its interests. Just like in Syria or Libya, its lack of military power constitutes a serious obstacle. Hence, Russia, as a realist power, does not accept the EU as a serious player with whom to engage in bargaining.

TRAPPED IN CONTRADICTIONS

Russia rightly interprets Europe's foreign policy as weak. Macron's offer for a strategic dialogue and Germany's soft attitude after the Tiergarten murder are perceived as signs of this weakness – as is the EU's limited capacity to act decisively, forcefully, and unanimously. For Moscow, the foreign policy of the EU and its member states toward Russia is trapped in contradictions. Germany strongly condemns Russia's strongman policy in Ukraine, Syria, or Libya, but, at the same time, it holds on to Nord Stream 2, thereby effectively undermining the EU's policy toward Ukraine as well as European cohesion in general. Despite international and national criticism against the project, German Federal Minister for Economic Affairs and Energy Peter Altmaier even strives to include the pipeline in Germany's plan to generate energy from hydrogen.¹⁵ In November, shortly after the EU implemented sanctions against Russia over the Navalny case, Hungary started contemplating testing Russia's COVID-19 vaccine Sputnik V.¹⁶ So far, Russia has not published sufficient scientific data on its efficiency and it faces massive problems in its mass production. Nevertheless, Moscow uses the vaccine as a propaganda tool and spreads news about its alleged effectiveness.

¹⁵ Felix Eick, Philipp Veter, "Für die Wasserstoff-Strategie braucht Altmaier noch mehr Gas aus Russland" [Altmaier needs even more gas from Russia for the hydrogen strategy], *Die Welt*, February 18, 2020: <<https://www.welt.de/wirtschaft/article205966173/Nord-Stream-2-Altmaier-setzt-auch-fuer-Wasserstoff-auf-russisches-Erdgas.html>> (accessed December 11, 2020).

¹⁶ Radio Free Europe/Radio Liberty, "Hungary To Test Russian Coronavirus Vaccine," November 23, 2020: <<https://www.rferl.org/a/hungary-to-test-russian-coronavirus-vaccine/30965120.html>> (accessed December 11, 2020).

EU SANCTION POLICY LACKS CLOUT

In addition to recognizing the inconsistencies in the EU's inter- and intrastate policy, Moscow does not see the EU as a strong foreign policy player in terms of institutional setup. This is not only caused by the lack of military power and the aforementioned contradictions in the Union's policy, but also in the political structure of the European Common Foreign and Security Policy (CFSP). The condition of unanimity seriously restricts the EU's ability to act.

Even if EU member states can agree on measures unanimously and swiftly, the policy lacks clout – as recent EU policies illustrate. In December 2020, the EU agreed on a common sanction regime targeting individuals and entities violating human rights all over the world through asset freezes and visa bans.¹⁷ This is a reaction not only to the Navalny case but also to other incidents, such as the assassination of the dissident Jamal Khashoggi by Saudi Arabian agents in 2018. However, while individual sanctions have a strong symbolic power, the Russian case shows that their effect is limited as they do not impose high costs on the regime. Regarding Russia, while individuals and entities on European sanction lists are adding up, their loyalty to the regime persists; moreover, in fact, their dependency on Moscow increases as the gates to the West are closed in front of them.

All in all, the strategy of sanctioning individuals is rather a result of bargaining among EU member states, many of whom shy away from harsher economic sanctions due to their potentially harmful effects on Europe itself.¹⁸ This illustrates the limited belief in the possibility of achieving foreign policy objectives with this instrument while obtaining an acceptable cost-benefit parity.

THE EU MUST TAKE THE PRINCIPLE OF SELECTIVE ENGAGEMENT SERIOUSLY

For the EU, three major recommendations for action can be derived from this situation. First, in the medium to long term, the EU has to improve its CSFP decision-making process by abolishing the unanimity vote. Besides ensuring faster decision-making, such a move could make it much harder for Russia – or for any other external actor – to block or hamper EU decision-making via its proxies within the European Union. Second, it has to improve its will

and resources to wield classical hard power, especially military power, in its eastern and southern neighborhood. Only if it does will Russia heed the EU. Third, and most importantly, the EU needs to take its own principle of selective engagement seriously. Engaging with Moscow only makes sense if there are overlapping interests and political will on both sides to compromise. Otherwise, Moscow is either taking advantage of Europe's will to compromise, as the cases of Nord Stream 2 and the Tiergarten murder have illustrated, or Moscow lets initiatives run into the void, as it did with the French strategic dialogue.

¹⁷ Michael Peel, "EU agrees law to sanction human rights abusers," *Financial Times*, December 7, 2020: <<https://www.ft.com/content/20df57a1-1d9a-4431-962e-eb7570ddb237>> (accessed December 11, 2020).

¹⁸ Clara Portela, Paulina Pospieszna, Joanna Skrzypczyńska, Dawid Walentek, "Consensus against all odds: explain the persistence of EU sanctions on Russia," *Journal of European Integration*, August 2020: <<https://www.tandfonline.com/doi/pdf/10.1080/07036337.2020.1803854?needAccess=true>> (accessed December 14, 2020).

Sino-Russian Relations: Expectations and General Trends

By Natalia Chabarovskaya,¹⁹ an independent expert on Russia-China relations

Since 2014, China and Russia have referred to each other as strategic partners, highlighting the special status of their relationship. There have been impressive achievements in various spheres and their relationship has deepened over the years, yet the magnitude of their cooperation is far more modest than it is often portrayed. Despite their proclaimed friendship, there are clear limitations²⁰ to what both countries are willing to commit to their partnership. Some parts of the relationship are driven by practical and even transactional motives. In others, different interests and a lack of trust restrict Russia and China from moving toward a quasi- or even full-fledged alliance.

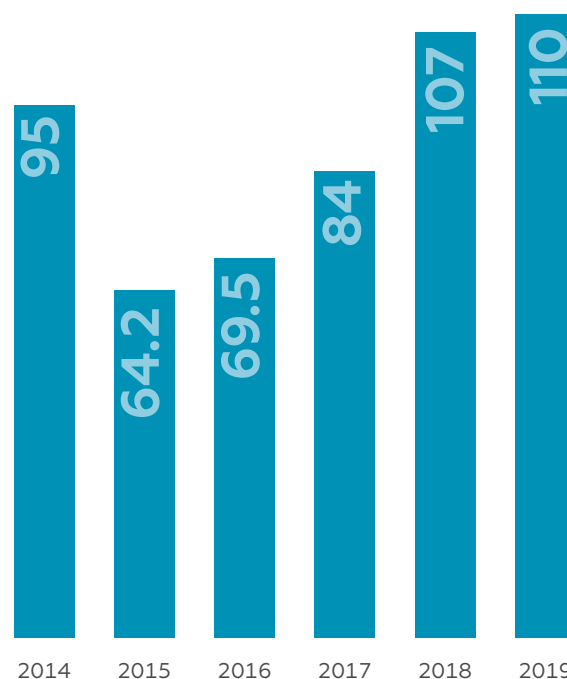
GROWING ASYMMETRY IN BILATERAL TRADE

Asymmetry in favor of China can be found in almost every part of the Sino-Russian relationship. In the majority of cases, this is partially due to a shortsighted attitude in Russia. Moscow neglected cooperation with Beijing for far too long and started its “turn to the East” only when its options on the international stage became limited after the 2008 financial crisis and then the introduction of Western sanctions in 2014. This myopia toward cooperation with China that underlined Russia’s attitude toward its eastern neighbor for years also inflated the Kremlin’s expectations from this turn. Moscow has hoped for a flow of “easy money” from Beijing, but these hopes were quickly shattered by Beijing’s practical attitude toward economic cooperation.

Trade between China and Russia demonstrates the overarching asymmetry in their relationship and reflects the practical nature of their economic cooperation. Agricultural exports to China form the most promising sector for Russia but, in order to be successful, Russian exporters have to cope with the competitiveness of the Chinese market.

The Sino-Russian trade turnover started to grow steadily after 2009 and China became Russia's largest trading partner in 2010. Russia, however, has so far not made it onto the list of China's top ten trade partners. Almost 70 percent of its exports to China are hydrocarbons, while China supplies it with mostly high-end machinery and electronics.²¹ This composition of their bilateral trade affects the trade volume in currency terms: for example, the drop in oil prices in 2015 and subsequent free fall of the ruble exchange rate led to a 28.6 percent decrease in the value of Russia's exports to China that year.

RUSSIA-CHINA TRADE TURNOVER (BILLIONS USD)



Source: Trade Map, 2019

¹⁹ A pseudonym for a leading Russian expert on China who preferred not to publish under a real name.

20 This chapter was finished in September 2020. It thus reflects the situation of Russia-China relations at that time.

21 "Bilateral trade between Russian Federation and China," *Trade Map*, 2019;

Russia is seeking to diversify its exports to China with agricultural goods and food products, yet Russian producers only started looking at the Chinese market after 2014, which was much too late. Their interest was largely based on a heightened expectation of the size of China's food market. However, as soon as Russian food producers (mainly of dairy, meat, and sweets) took their first steps in the Chinese market, they faced fierce competition from Western brands with a well-established presence in the country. They realized that they had to tailor their products to the tastes of Chinese customers to carve out their niche.

In general, the trends in Sino-Russian trade can be explained with market logic. Geopolitics enters this dimension of the relationship only when it comes to the promotion of the two national currencies in mutual trade settlements. In June 2019, after long talks and postponements, Moscow and Beijing signed an agreement on promoting trade settlements in their national currencies. At the end of the first quarter of 2020, the share of the US dollar in their bilateral trade settlements fell below 50 percent (to 46 percent) for the first time. Yet, the share of the US dollar was partially taken over by the euro: its share increased up to 53.1 percent. The performance of their respective currencies is more modest and reflects the trade asymmetry: the renminbi's share of bilateral trade settlements was almost 25 percent in the first quarter of 2020, while the ruble accounted for just 5.2 percent.

ENERGY COOPERATION DOMINATED BY CHINA

Energy cooperation in the last ten years reveals the negative consequences of Russia's decades-long neglect of its economic relationship with China. The dynamic here makes clear Beijing's upper hand and practical approach to economic ties.

Russia started to look for Chinese money for energy projects after 2008, when China had already diversified its energy supplies and had a stronger position in negotiations. Amid the recession and rapidly decreasing international demand for commodities during the global financial crisis, the Russian energy giants Rosneft and Transneft had to turn to China to finance the East Siberia-Pacific Ocean

pipeline project, as there were no options in the West, which was dealing with its own economic problems. Beijing was aware of Moscow's lack of alternative and skillfully leveraged it. Despite the risk of creating a monopsony in the East, Rosneft and Transneft signed a contract with the China National Petroleum Corporation in 2009,²² committing to build a direct pipeline to China. In exchange, China Development Bank provided the two Russian companies with a 25 billion USD loan, which was backed by a 20-year oil-supply contract. In 2011, when the pipeline's branch that headed exclusively to China had been completed (the rest of the pipeline to the Pacific Ocean was still under construction), Beijing secured an additional discount for oil by threatening to drop the project altogether, which would have left Rosneft and Transneft with an almost completed pipeline and a huge debt.

A similar situation occurred amid the negotiations over the Power of Siberia pipeline. After the first sanctions hit, a 400 billion USD agreement in 2014 to supply China with 38 billion cubic meters of gas per year was a much-needed geopolitical victory for Russia. Yet, behind the impressive numbers was a much more complicated reality. The gas price set in the agreement was not disclosed by Gazprom, which treated it as a commercial secret. Independent expert calculations based on the initial information on the agreement suggest that the base price in the agreement in 2014 was 350–360 USD per thousand cubic meters.²³ However, the most recent data from Chinese customs shows that China is currently paying about 200 USD per thousand cubic meters. Considering the fact that Beijing had denied Moscow's request for financing for the construction of the pipeline, such figures suggest that the project can hardly be profitable for Gazprom in the long term.²⁴

MILITARY AND TECHNOLOGICAL COOPERATION

Technology and military cooperation are probably the most far-reaching and promising part of Sino-Russian ties. Russia still has a competitive edge over China in military technologies, while the latter is ahead in telecommunication and AI industries. Amid the ongoing confrontation that both are experiencing with the West, their shared positions on many issues such as human rights, internet sovereignty, or the

²² *Forbes*, "Russia and China Strike a Deal," November 2, 2009:

<<https://www.forbes.com/2009/10/30/russia-china-banks-business-oxford-analytica.html?sh=145687f8298f>> (accessed December 2, 2020).

²³ Olga Tanas et al., "How Russia-China Gas Pipeline Changes Energy Calculus," Bloomberg, November 25, 2019:

<<https://www.bloomberg.com/news/articles/2019-11-25/how-russia-china-gas-pipeline-changes-energy-calculus-quicktake#:~:text=Putin%20has%20said%20that%20gas,Germany%2C%20according%20to%20Russian%20officials>> (accessed December 2, 2020).

²⁴ Ria Novosti, "Gazprom postroit gazoprovod 'Sila Sibiri' za schet svoikh sobstvennykh sredstv" [Gazprom will build the Power of Siberia pipeline with its own funds], June 26, 2015: <<https://ria.ru/20150626/1090108945.html>> (accessed December 2, 2020).

outcomes of the Second World War²⁵ often underpin the development of their relationship in the military and technology realms.

In the early and mid-2000s, Russia was highly suspicious of China's pattern of reverse engineering military technology and grew reluctant to sell it the most advanced arms. Yet, after a reassessment of the "China threat" in 2014, Moscow decided to exploit its advantage in a narrowing window of opportunity, given that China's military technology is likely to surpass that of Russia soon enough.²⁶ In 2014–2015, Russia sold China its most advanced anti-aircraft missile system, the S-400, and its latest fighter jet, the Su-35. The latest sign of growing trust in their military cooperation was the 2019 announcement²⁷ by President Vladimir Putin that Russia would assist China in developing its ballistic missile early-warning system. The two countries have also conducted a series of joint military drills.

In the meantime, China supplies Russia with high-level surveillance equipment. For instance, in 2018, Rostelecom placed a 7.9 million USD order for Chinese-produced face-recognition cameras for Moscow's municipal authorities. Mostly, the preference for Chinese equipment is based on strictly practical logic: Chinese producers provide the best price-quality ratio. Unlike many Western countries, Russia welcomes Huawei in the development of its 5G networks. In 2019, several leading telecom providers in Russia started testing pilot 5G zones in collaboration with the Chinese giant. While Western states are basing their decisions to ban Huawei on security concerns, Moscow's logic is that, at this moment, it is better to be spied on by China than by the West.

LIMITS TO ANY GEOPOLITICAL RAPPROCHEMENT

In the geopolitical realm, there are clear limits to the rapprochement between China and Russia, which is unlikely to turn into a formal alliance in the near future. They share an outlook on many international issues, but they are careful not to become entangled in each other's complicated positions on the global stage.

On paper, geopolitical cooperation between China and Russia has been flourishing since 2014. This new stage in their relationship is noticeable in various spheres. However, the West often misperceives this as alliance building. Russian and Chinese officials are very careful about their rhetoric when it comes to the question of a potential alliance and avoid bold statements.

Despite intensified military ties and overall deepening of their cooperation, China and Russia are clearly unwilling to stand in the middle of their respective crossfires with the West.²⁸ For example, Beijing neither formally endorsed Moscow's annexation of Crimea nor openly criticized it, extrapolating the consequences of such support to its own "problematic" non-Chinese-majority regions of Xinjiang and Tibet. For its part, Moscow never openly supported Beijing's claims in the South China Sea in order to balance its relationship with Vietnam, one of the biggest buyers of Russian arms and one of the main opponents of China's actions in the region.²⁹

Furthermore, despite their mutual assurances of friendship, in certain instances a lack of trust is still noticeable between China and Russia, which undermines their prospects of establishing a full-fledged alliance. The COVID-19 pandemic has been a major test of the depth of the Sino-Russian alignment. Many senior Russian officials were very angry about Beijing not being fully transparent about the spread of the virus and not sharing samples of it with Russian scientists (the strain of the virus was later received from the United States instead). In the meantime, China was frustrated with the spreading Sinophobia in many Russian cities at the beginning of the pandemic. The way the Russian police treated Chinese nationals in Moscow led to a rare vocal and angry reaction from the Chinese embassy.

25 Mark Magnier, "China and Russia send pointed message to Washington on war anniversary," *South China Morning Post*, September 4, 2020: <<https://www.scmp.com/news/china/diplomacy/article/3100197/china-and-russia-send-pointed-message-washington-war>> (accessed December 2, 2020).

26 Alexander Gabuev, Vita Spivak, "The Asymmetrical Russia-China Axis," in *Russia and China: Anatomy of Partnership*, eds. Aldo Ferrari, Eleonora Tafuro Ambrosetti (Milan, 2019), pp. 37–60: <https://www.ispionline.it/sites/default/files/publicazioni/report_russia-china-anatomy-of-a-partnership_0.pdf> (accessed December 2, 2020).

27 Dmitri Trenin, "How Cozy Is Russia and China's Military Relationship?", Carnegie Moscow Center, November 19, 2019: <<https://carnegie.ru/2019/11/19/how-cozy-is-russia-and-china-s-military-relationship-pub-80363>> (accessed December 2, 2020).

28 Yaroslav Trofimov, "The New Beijing-Moscow Axis," *The Wall Street Journal*, February 1, 2019: <<https://www.wsj.com/articles/the-new-beijing-moscow-axis-11549036661>> (accessed December 2, 2020).

29 Anton Tsvetov, "Did Russia Just Side With China on the South China Sea?", *The Diplomat*, April 21, 2016: <<https://thediplomat.com/2016/04/did-russia-just-side-with-china-on-the-south-china-sea/>> (accessed December 2, 2020).

Sino-Russian Relations: Expectations, Illusions, and General Trends

By Niklas Swanström, Director of the Stockholm-based Institute for Security and Development Policy

China and Russia have consistently been building strategic cooperation between one another. Even as Russia has sometimes used the word “alliance” to describe their relations, China has methodologically refrained from using it. In real terms, the relationship is still far from being an alliance. However, for the first time,³⁰ the term is not so misplaced. If not an alliance, however, can bilateral relations between the two countries be labelled as a “marriage of convenience”? Indeed, the initial reasons for closer ties were more a result of isolation and conflict with the West than anything substantial, but the relationship has developed into something much more concrete and concerning today.

The Chinese side, which will be the focus of this brief chapter, aims to rebalance global norms and values oriented toward authoritarianism and centered on China. Both China and Russia have repeatedly and eagerly commented on their improved relations, and, if this rhetoric is reflective of reality, the links are supposedly steadily improving. However, aside from their common disposition for authoritarian rule and mutual skepticism toward democratic nations, the two states have a very different orientation to the outside world and each have their own separate challenges and hurdles to overcome.

Russia is China's only major ally in the new “Cold War.” With increased tensions with other major powers such as the

United States, the European Union, India, and others, Russia fills a void. Diplomatically, China is willing to support the actions of Russia, even if this is not universal or unconditional, and vice versa. China expects support in its domestic policies (such as the crackdown in Hong Kong, the incarceration camps in Xinjiang, etc.) as well as its foreign policy activities. For example, Russia lent its voice to China in 2016 when the Hague Tribunal ruled against China in the South China Sea³¹ and has been sympathetic toward China's handling of the democracy movement in Hong Kong and the Muslim community in Xinjiang. These examples aside, it would be a mistake to think that Russia and China would always support each other. Russian cooperation with Vietnam regarding oil drilling operations in the South China Sea, and the lack of outright support from China regarding Russia's conflicts in Eastern Europe are just two examples where their so-called alliance has not looked so steadfast.

COOPERATION AND CHALLENGES IN TRADE AND RESEARCH

On the surface, arguably the most important cooperation for China with Russia is their strategic collaboration in technology and innovation. Recently, however, the interest of China for cooperation in this sector has decreased, most probably due to Beijing's own impressive technological development. Moreover, Russia has become critical of China's technological development, considering the tension between China and the United States, and growing isolation with the West and other democracies, such as Japan, Taiwan, India, and others.

There has been a growth of joint-research and innovation parks between China and Russia that has been very impressive, both in terms of numbers as well as potential research, with what appears to be substantial funding to back it up. Joint funds have sprung up in several areas, for example, the Sino-Russian Joint Innovation Investment Fund has a capital of more than one billion USD. In 2009, then Chinese President Hu Jintao and Russian President Dmitry Medvedev announced that, by 2014,³² 200 joint projects were to be initiated. To date, however, less than 10 percent of those projects had been implemented.³³ The main challenge for increased cooperation is that China does not have the same need for Russian technology and innovation that Russia has.

³⁰ This chapter was finished in September 2020. It thus reflects the situation of Russia-China relations at that time.

³¹ “International court strikes down China's territorial claim,” CNBC, July 12, 2016: <<https://www.cnbc.com/2016/07/12/tensions-in-south-china-sea-to-persist-even-after-court-ruling.html>> (accessed December 3, 2020).

³² Ministry of Foreign Affairs of the People's Republic of China, “Joint Statement of the Moscow Meeting Between Heads of State of China and Russia,” June 18, 2009: <https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t573751.shtml> (accessed December 3, 2020).

³³ Jonathan Hillman, “China and Russia: Economic Unequals,” Center for Strategic & International Studies, July 15, 2020: <<https://www.csis.org/analysis/china-and-russia-economic-unequals>> (accessed December 7, 2020).

Between 2014 and 2018, Russia established 20 Special Economic Zones in the Russian Far East, but only six attracted Chinese investments³⁴ and a limited value of 38 million USD. Russia needs the Chinese investments in research and development, but the investments are not coming to the extent that Russia had hoped for. Similarly, there is a great deal of verbal agreement about increased cooperation in the Arctic, but the only completed joint project is the Yamal LPG base. In this case, however, Moscow seems to be the stumbling block, not Beijing.

Sino-Russian trade is often presented in terms of the percentage increase, as the real figures are typically less impressive. Russia only accounts for 0.8 percent of the China trade. Even if Russia has a much larger dependency on China – 15.5 percent of its trade – the trade with the EU is twice the size of its trade with China.³⁵ However, the yearly increase in trade is impressive, even if it is not always in key industries. Natural resources and energy resources account for 70 percent of the total trade, and agriculture has been the fastest growing trade sector in the bilateral trade relations. For example, Russian exports of poultry increased 58.8 percent in January to June 2020, compared with the same period in 2019, according to the Russian Ministry of Agriculture.³⁶ Chinese trade with Russia is too often portrayed in the media as critical to its economy, and without it, Russia would be in the hands of the West. Still, the reality is that Russia is more dependent on Europe than on China. Similarly, China's dependence on Russia is limited, and its trade dependency on the EU and the United States is much more crucial for its import and export levels.

A large and steady supply of natural resources – in particular, oil and food – are crucial for China. However, it is not too difficult for China to find alternatives to Russian products, even if it possibly comes at a higher and more unpredictable price on the open market, where it makes much of its purchases. Still, as long as the trade remains relatively modest, it creates further Russian dependence on China but not Chinese dependence on Russia. When it comes to oil, the Middle East is far more important to China than Russia currently is. The proposed cooperation between the Belt and Road Initiative (BRI) and Eurasian Economic Union

(EEU) is another case in point in this unequal relationship. There, the EEU has just a portion of the BRI's economic strength and growth potential. Russian President Vladimir Putin has pushed somewhat hard for cooperation on what he described in Beijing in April 2019 as equal cooperation.³⁷ Still, the reality is that the BRI and EEU are two very different initiatives. Through the EEU, Moscow seeks more direct control of the economies and states. The BRI, on the other hand, seeks stable markets and transit routes as well as, of course, political control, through which it gets support and a large degree of self-censorship in each state – although this is a secondary target. Despite the unequal departure point, Russia needs the benefits stemming from the EEU, even though this could, within the medium- to- long term, result in decreased Russian influence in its backyard and increased Chinese control over the region.

IDEOLOGY, TECHNOLOGY, AND SECURITY RELATIONS

The ideological, anti-Western front that is a bulwark against democracy, individual human rights (as a contrast to the human rights of the state and collective), and the free economy is an essential component for China in its relations with Russia – even if it would not necessarily be defined that way by the parties. More important is the cooperation around the digital economy, 5G telecommunications technology, artificial intelligence, biotechnology, and military cooperation with its applications both domestically and internationally. Much of the new technology is led by Chinese innovation, but there are important exceptions, such as robotics and missile technology. Consequently, there are still significant incentives for China to collaborate with Russia. For example, if Huawei could adopt the Russian Avrora operating system instead of the Android system on its phones,³⁸ this would keep Russia in the game and be a clear snub to the West.

In the area of robotics and military development, especially missile defense systems, Russian technology still has significant advantages. That said, Russian technology is rapidly decreasing in importance due to the lack of resources in re-

³⁴ Vita Spivak, "Why Russia's Special Economic Zones Fail to Attract Chinese Investors," Italian Institute for Political Studies, November 4, 2019: <<https://www.ispionline.it/en/pubblicazione/why-russias-special-economic-zones-fail-attract-chinese-investors-24316>> (accessed December 3, 2020).

³⁵ Jonathan Hillman, "China and Russia: Economic Unequals" (see note 33).

³⁶ Natalie Berkhout, "Russian chicken exports to China surge," *Poultry World*, November 17, 2020: <<https://www.poultryworld.net/Meat/Articles/2020/11/Russian-chicken-exports-to-China-surges-671463E/>> (accessed December 7, 2020).

³⁷ President of Russia, "Belt and Road Forum for International Cooperation. Vladimir Putin attended the second Belt and Road Forum for International Cooperation," April 26, 2019: <<http://en.kremlin.ru/events/president/news/60378>> (accessed December 3, 2020).

³⁸ Nadezhda Tsydenova, Anna Rzhavkina, "Huawei in talks to install Russian operating system on tablets for country's population census," Reuters, August 26, 2019: <<https://www.reuters.com/article/us-huawei-russia-partnership/huawei-in-talks-to-install-russian-operating-system-on-tablets-for-countrys-population-census-sources-idUSKCN1VG1VN>> (accessed December 3, 2020).

search and development, and it is merely a matter of time before the Chinese need for Russian technology is minimal. For example, the much-hyped export of Russian weapons to China amounted to approximately 76 percent of Chinese arms imports between 2015 and 2018.³⁹ Still, China has now surpassed Russia as the world's second-largest arms exporter, and China has developed (or perhaps stolen) technology that could rival Russia's in many areas, even if not all. Several senior military officials in China have, in private conversations with the author, snubbed much, if not all, of arms imports as "aid" to Russia and argued that they should stop buying sub-standard equipment from Russia. China is increasingly only interested in top-shelf technology from Russia, such as missile technology, jet engines, radar systems, etc. The Russian need to tie China closer to its arms production could also be a reason why Moscow reduced the restrictions for Chinese arms sales and increased the cooperation in research as well as the joint production of the latest military technology.

From the Chinese perspective, a more valuable exchange is to learn from the Russian experience when it comes to combat, surveillance, censorship, and disinformation. Russia has a great deal more experience in these areas internationally than China does. China has not been engaged in experiences of modern warfare, which weakens its ability to act internationally. Hence, China's interest in the Russian experience is substantial. When looking more closely at the techniques of Chinese influence campaigns against foreign media, academics, and decision-makers, it is apparent that China has adopted some of the Russian operative behavior with Chinese technology. Following disinformation campaigns and cyber operations in both Europe and Asia,⁴⁰ it is evident that there seems to be a lot of information sharing between Russia and China in this regard – even if there is not yet substantial evidence to claim that there is formal cooperation in specific operations. However, it seems unlikely that China and Russia would be interested in coordinating any offensive cyber operations at this time. China's more brutish behavior directly corresponds to the Russian operations and tactics, something that has also been criticized in the Chinese military and intelligence community for being counterproductive. In 2015, Russia and China began cooperation on "communications and information technology."⁴¹ In June 2019, the "Joint Declaration of the Russian

Federation and the People's Republic of China on the Development of a Comprehensive, Strategic Partnership Entering a New Era" emerged as a much more sophisticated and far-reaching collaboration. China and Russia have now agreed to:

"Strengthen exchanges in the field of legal regulation of activities in the information space, to jointly promote the principle of management of the information-telecommunications network, the 'Internet.'"

This was the first time the two countries agreed to work in collaboration internationally on surveillance, blocking unwanted sources of information, and activating cyber warfare strategies. However, it is unclear in the agreement – and operationally – how much the partnership has led to joint operations, formal exchanges of information, etc., and how much is just rhetoric. Still, there are prominent areas of exchange that benefit both states, and, from the Chinese perspective, this is very much a field of growth.

EXPECTATIONS AND REALISM

The most provocative and consistent long-term use China has of Russia is leverage, support, and strategic depth when it takes its "rightful" place in the world. Gu Xuetang, the director of the Institute of International Strategy and Policy Analysis (IISPA) in Shanghai, framed this aptly when he said:

"China does not want a two-front war, and neither does Russia, so China defends the East and Russia defends the West."⁴²

This is not a formal alliance, but it creates a situation in which China can act aggressively without concern for a two-front war on its western border. Arguably, it would not have been possible for China to act so aggressively in the South China Sea and against the United States without tacit support from Russia, which provides strategic depth, diplomatic support, military technology, and, in the case of a military conflict, an extensive resource base. There are no expectations from Beijing that Russia will fight alongside China, but the already strong support would enable them to act more independently and assertively.

39 "Russia's share of total imports of major arms from 2015 to 2019, by country," *Statista*, March 10, 2020: <<https://www.statista.com/statistics/1102702/countries-where-russia-is-a-major-arms-supplier/>> (accessed December 3, 2020).

40 The case of Taiwan was the main focal point for ISDP's research on this issue.

41 Ministerstvo tsifrovovo razvitiya, svyazi i massovykh kommunikatsii Rossiyskoy Federatsii [Ministry of Digital Development, Communications, and Mass Media of the Russian Federation], "Rossiya i Kitay obsudili voprosi sotrudnichestva v sfere svyazi i IKT" [Russia and China discussed collaboration in spheres of communications and ICT], September 18, 2015: <<https://digital.gov.ru/ru/events/33990/>> (accessed December 3, 2020).

42 Yaroslav Trofimov, "The New Beijing-Moscow Axis," *The Wall Street Journal*, February 1, 2019: <<https://www.wsj.com/articles/the-new-beijing-moscow-axis-11549036661>> (accessed December 3, 2020).

That said, coordinated military action is no longer unimaginable, although still unlikely – even in the event of an attack on China or Russia's territory. Sino-Russian exercises have grown in number, size, and importance, and they involve all types of military operations. It is worth noting that, in the “Kavkaz-2020” exercise in September 2020, China participated, but not India, which opted out due to Chinese aggression in the Himalayas. Strategic cooperation between China and Russia is deemed to increase in importance as they are increasingly relying on each other and there are major benefits in terms of the exchange of information, joint exercises, and, not least, the optics toward possible partners. This is despite some serious concerns in China about calling Russia an allied power. In at least one private conversation, a Chinese General of the People's Liberation Army (PLA) pointedly asked where the West would put its resources if there was to be a conflict situation with Taiwan, and Russia would create a diffusion in Europe? The logic of such thinking is not entirely flawed, even if highly damaging for both Russia and China. China's lack of live battlefield experience makes it necessary to test how the military reforms have impacted its fighting ability – and this in the relatively short term. This is something that Chinese military leaders have stressed time and time again, even if among internal military circles there are growing concerns that this is a dangerous path for China to take. The Syrian conflict and the Russian experience gained there has been invaluable for China. Should a limited conflict occur over the islands controlled by Taiwan or over the South China Sea, however, it would be even more useful for China if Beijing could expect Russia's diplomatic and ideological support while also avoiding a full-scale escalation with the United States.

ALLIANCE IN THE MAKING?

A formal alliance is not likely, even if possible. But, more importantly, it does not matter as the current structure gives both China and Russia what they need at the moment. Considering the 2001 China-Russia Treaty of Good-Neighborhood and Friendly Cooperation⁴³ and Article 5 of NATO's founding treaty, the expectations are not too far from each other. Article 5 allows some leeway in volunteering support,

and, given the political leadership in some NATO members, the expectations of solidarity in a conflict situation are not that strong. Article 9 of the 2001 treaty between Russia and China states that:

“When a situation arises in which one of the contracting parties deems that peace is being threatened and undermined or its security interests are involved or when it is confronted with the threat of aggression, the contracting parties shall immediately hold contacts and consultations in order to eliminate such threats.”⁴⁴

This formulation does not guarantee that the states would fight side by side, but it gives a similar intention, albeit not as strong of a commitment as contained in Article 5 of the NATO treaty. Here, it is essential to understand that the main reluctance to further strengthen the alliance comes from China. Beijing has refrained from creating anything that would resemble alliances. Still, with a much more assertive and aggressive foreign policy under President Xi Jinping, it has become possible with closer military cooperation, and, most importantly, a tacit agreement on how both sides engage with each other and the outside world.

The question is: how far will collaboration with Russia take China? Beijing's eyes are more firmly focused on Europe and the United States as its future lies in these economies. Several senior officials in China have, over the years, mentioned that the support for democracy runs thin in many European states, not least in Eastern Europe, but also in Italy and Germany – countries that have been referred to as having totalitarian tendencies. This misperception was one reason why the Chinese were surprised about the European reaction to the crackdown in Hong Kong or about the Swedish response to the arrest of publisher and writer Gui Minghai.⁴⁵ As if to illustrate that interpretation and frustration from China during that time, the Chinese Ambassador to Sweden mentioned that “We treat our friends with fine wine, but for our enemies we have shotguns.”⁴⁶

Finally, it is worth being reminded of Zhang Heqing from the Chinese Foreign Ministry who, about Vladivostok, said: “Isn't this what in the past was our Haishenwai?”⁴⁷ This view

⁴³ Ministry of Foreign Affairs of the People's Republic of China, “Treaty of Good-Neighborhood and Friendly Cooperation Between the People's Republic of China and the Russian Federation,” July 24, 2001: <https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t15771.shtml> (accessed December 3, 2020).

⁴⁴ Ibid.

⁴⁵ “Gui Minghai: China sentences Swedish bookseller to 10 years in jail,” *The Local*, February 25, 2020:

<<https://www.thelocal.se/20200225/gui-minhai-china-sentences-swedish-bookseller-to-10-years-in-jail>> (accessed December 2, 2020).

⁴⁶ “How Sweden copes with Chinese bullying,” *The Economist*, February 20, 2020:

<<https://www.economist.com/europe/2020/02/20/how-sweden-cope-with-chinese-bullying>> (accessed December 7, 2020).

⁴⁷ Eduardo Baptista, “Why Russia's Vladivostok celebration prompted a nationalist backlash in China,” *South China Morning Post*, July 2, 2020:

<<https://www.scmp.com/news/china/diplomacy/article/3091611/why-russias-vladivostok-celebration-prompted-nationalist>> (accessed December 2, 2020). Formally, the Chinese government has accepted the current borders and has argued that China has no claims on the Russian Far East. If this changes, it would indicate a much more radical and expansionist policy in China that would fundamentally transform Sino-Russian relations.

has not often been heard from officials since Mao, but it is in line with the influential netizens that are increasingly allowed to have a more radical and nationalistic message. Border delimitation should be done with the Chinese interest in mind and, while Russia is useful today, they might not be so tomorrow.

All in all, relations between Russia and China are a marriage of convenience as both eye other potential partners, but the marriage is stronger than it has been before. Hence, it would be dangerous to dismiss this marriage as simply something that will pass. Moscow and Beijing share strong normative values and, if they could manage the difficult economic dimensions of their relationship, it could be something that could last.

Joe Biden and Russia: The Good, the Bad, and the Ugly

By Andrey Kortunov, Director General of the Russian International Affairs Council

Someone wittily noted that Richard Wagner's music is not as bad as it sounds. Likewise, the foreign policy of US President Joseph R. Biden toward Russia may not be as harsh as his election campaign statements suggest.⁴⁸ Of course, the devil, as always, is in the details. The Democratic administration has not inherited one single Russia file from its predecessors; instead, it received a mixture of assorted files. On some of these issues, Joe Biden might turn out to be better than Donald Trump, while, on others, he could be much worse. And in some cases, it could get very ugly.

FOREIGN POLICY NOT A TOP PRIORITY

First, it is easy to predict that foreign policy will not be Biden's top priority for at least the first half year of his administration or even longer. There are too many domestic matters that his new team will have to put ahead of foreign policy. These matters include handling the COVID-19 pandemic and its repercussions,⁴⁹ securing economic recovery, and mitigating deep social and political divisions in the country. It is still not clear how Biden will manage his relations with Congress, which is in a position to significantly delay some of his key nominations, including those directly related to foreign policy.

When the Democratic president finally gets down to his foreign policy agenda, it is not likely that the Russia portfolio

will be at the top of it. Joe Biden is more likely to focus on the transatlantic relations seriously damaged by his predecessor. Another burning matter is a trade agreement with China; this will not end US-Chinese economic or technological competition, but it can at least help to prevent a fully-fledged trade war between Washington and Beijing. In short, Biden can allow himself to put most of the Russia files on the back burner – with the possible exception of pending strategic arms control matters.

The good news for US-Russia relations is the fact that, so far, no significant Russian involvement in the US elections of 2020 has been detected.⁵⁰ This does not necessarily mean that this matter will disappear completely from Biden's radar, but it is not likely to affect the American domestic political agenda of 2021 as much as it did back in 2017.

ARMS CONTROL

On arms control, Biden's administration is likely to be largely better than Trump's was. President-Elect Biden has never supported the irresponsible attitude of his predecessor to arms control in general or to bilateral US-Russian arms control in particular. He might well try to rescue the New Strategic Arms Reduction Treaty (New START)⁵¹ and to abide informally by the provisions of the Intermediate-Range Nuclear Forces Treaty (INF Treaty), from which the United States withdrew in summer 2019. He is likely to pay more attention to the Treaty on the Non-Proliferation of Nuclear Weapons (commonly known as NPT), the Comprehensive Test Ban Treaty (CTBT), and other multilateral nuclear arms agreements that Trump did not consider to be of top importance for the United States. However, this does not mean that bilateral US-Russian arms control has a bright future under Biden – any agreements beyond the New START will be very difficult to negotiate. Many fundamental disagreements between the two sides on such issues as tactical nuclear weapons, ballistic missile defense, engaging China and other nuclear powers, etc., will not disappear under the new administration. It is also clear that the Biden administration will have to start reviewing and revising the old paradigm of strategic arms control in order to catch up with the latest technological developments (space, cyber, autonomous lethal systems, etc.).

⁴⁸ This chapter was finished in early December 2020. It thus reflects the situation of US-Russia relations at that time.

⁴⁹ For detailed information on the COVID-19 situation in the United States, see the Centers for Disease Control and Prevention's "CDC COVID Data Tracker": https://covid.cdc.gov/covid-data-tracker/#cases_casesper100klast7days (accessed December 13, 2020).

⁵⁰ Ellen Nakashima, "Fewer opportunities and a changed political environment in the US may have curbed Moscow's election interference this year, analysts say," *The Washington Post*, November 17, 2020: https://www.washingtonpost.com/national-security/russia-failed-to-mount-major-election-interference-operations-in-2020-analysts-say/2020/11/16/72c62b0c-1880-11eb-82db-60b15c874105_story.html (accessed December 13, 2020).

⁵¹ Steven Pifer, "Reviving nuclear arms control under Biden," Brookings Institution, December 1, 2020: <https://www.brookings.edu/blog/order-from-chaos/2020/12/01/reviving-nuclear-arms-control-under-biden/> (accessed December 13, 2020).

THE MIDDLE EAST AND RUSSIA'S NEIGHBORHOOD

Another change in US foreign policy under President Biden from which Russia could benefit is a potential softening of the US position on Iran⁵² and a more balanced US approach to the Middle East peace process. The Kremlin would undoubtedly welcome the return of the United States to the Joint Comprehensive Plan of Action (JCPOA) or an increased emphasis on multilateral approaches to an Israeli-Palestinian settlement. In addition, Biden may decide to stop the ongoing “diplomatic war” with Russia; he arguably values professional diplomacy much more than his predecessor Donald Trump did, and he is not likely to keep the Russian Embassy in Washington (and the US Embassy in Moscow) in a state of siege. In general, Biden will delegate more authority and more power to foreign policy experts and professionals (“Deep State”), including those among them who will be responsible for the Russia portfolio. Therefore, US policy toward Russia is likely to be more consistent, realistic, and predictable.

The “bad side” of Biden for Russia will start manifesting itself in much harder and uncompromising rhetoric targeting the Russian leadership. Joe Biden, unlike Donald Trump, is not a fan of Vladimir Putin, and he will not be shy in expressing his uncomplimentary views of the Russian president. Moreover, Biden will pay more attention to human rights problems in Russia; he also will extend more support to the political opposition in Russia and to politicized civil society institutions.⁵³ In addition, he will demonstrate more sympathy to democratic states in Russia's neighborhood – from Ukraine to Georgia (perhaps also including more active support for the democratic opposition in Belarus). US support of Kyiv is likely to grow, including various forms of military assistance.

STRONGER TRANSATLANTIC TIES

A likely change in transatlantic relations will also have an impact on Russia's foreign policy. The numerous political, economic, and strategic differences between Washington and Brussels will not just disappear, of course, and there will certainly be no return to the good old days of Barack Obama and Bill Clinton.⁵⁴ Still, Biden, with his foreign policy experi-

ence and inclination to compromise, will work diligently to restore transatlantic relations. Under Biden, we will likely see more flexibility from Washington on trade talks with the EU, more readiness to consider the EU's opinion in US approaches to global problems, and increased attention to European positions on regional crises.

Even a partial restoration of transatlantic unity will be a blow to the image of the world that the Russian leadership likes to paint. A new consolidation of the West, no matter how temporary, is at odds with the official Kremlin narrative about the inexorable movement of the international system toward a polycentric world order. Worse still, it might give the collective West new confidence. In addition, a new reconciliation between the EU and the United States will be a major blow to the various Euroskeptics, populists, and nationalists for whom Trump is a role model, and will tip the scales within the EU against them. It will also hurt some of the Kremlin's political partners in Europe. A Biden victory will inject new life into proponents of the Western liberal values that Vladimir Putin has already written off as hopelessly obsolete.

A change of administration in the White House will likely reduce, though not eliminate, the EU's interest in normalizing relations with Russia. Having agreed a truce on the western front, Brussels will be more than capable of swiftly transferring its forces to the eastern front, taking a harder line toward the Kremlin. A Democratic US president will likely applaud such a strategic move, seeing the standoff with Russia as a way of cementing the transatlantic partnership. In all likelihood, a Biden victory will severely limit Russia's room for maneuver in its EU policy, and perhaps in its broader foreign policy too. A more united West might consolidate itself not only on an anti-Russia platform, but also, to a lesser degree, against China.

CONTINUED STANDOFF WITH CHINA

Amid the standoff with Beijing, a Biden administration will probably seek to expand its alliances and establish new partnerships in Asia, Latin America, and the Middle East. Though such a policy will target China, it will also indirectly affect Russia, as it will likely accelerate the move toward a bipolar international system, increasing Moscow's dependence on Beijing – with all the ensuing consequences.⁵⁵

52 Gordon Lubold, Joshua Jamerson, “Biden National Security Adviser Sees US Rejoining Iran Nuclear Deal,” *The Wall Street Journal*, December 7, 2020: <<https://www.wsj.com/articles/biden-national-security-adviser-sees-u-s-rejoining-iran-nuclear-deal-11607399179>> (accessed December 13, 2020).

53 Dmitri Trenin, “Joe Biden's Foreign Policy and Russia,” Carnegie Moscow Center, November 19, 2020: <<https://carnegie.ru/commentary/83270>> (accessed December 13, 2020).

54 Michael Klimm, Pavel Koshkin, Victoria Zhuravleva, Peter B. Zwack, “US-Russia Relations under the Biden Administration: an Expert Analysis,” Wilson Center, December 11, 2020: <<https://www.wilsoncenter.org/article/us-russia-relations-under-biden-administration-expert-analysis>> (accessed December 13, 2020).

55 Dimitri Simes Jr., “For Russia, Biden's rise strengthens China's gravitational pull,” *Nikkei Asia*, November 17, 2020: <<https://asia.nikkei.com/Politics/US-elections-2020/For-Russia-Biden-s-rise-strengthens-China-s-gravitational-pull>> (accessed December 13, 2020).

For a couple of years, we have observed the US policy of “dual containment” with Washington applying more and more pressure on both Beijing and Moscow. This pressure has become an important factor cementing the Chinese-Russian strategic partnership; today, even a formal military-political alliance between the two countries is no longer a purely theoretical construct, but a plausible geopolitical option.

This situation is a clear strategic setback for Washington. Since at least the early twentieth century, one of the most important goals of US foreign policy has always been to prevent any consolidated anti-American center of power in Eurasia. US policymakers have perceived a divided Eurasian landmass as an indispensable prerequisite for the global US strategic hegemony. Former US Secretary of State Henry Kissinger understood the critical importance of keeping Eurasia divided better than anyone; he was more efficient than any US leader before him in exploiting the growing rifts between Beijing and Moscow back in the early 1970s.

A US-CHINA-RUSSIA TRIANGLE

Can President-Elect Joe Biden repeat Henry Kissinger's success and resurrect the US-China-Russia triangle with the United States at the top of it? Of course, almost fifty years have passed since Kissinger's famous trip to Beijing in July of 1971. The world today is definitely very different from the world of the twentieth century; the old theology of geopolitics may look old-fashioned and even antiquated. Still, let us consider the options that the leadership of the United States has in trying to keep Eurasia divided.

The first option would be to read Henry Kissinger literally, that is, to support the weaker US adversary against the stronger one. Today, it would mean that Washington should try to bring Moscow to the American side in its predestined confrontation with Beijing.⁵⁶ After all, Russia is no longer a Communist country, and Russian leaders should be concerned about the growing asymmetry of power between their country and China. To play the weaker adversary against the stronger one was a stated goal of the Trump administration that it failed to achieve. US-Russian relations did not get any better under Trump; on the contrary, they sank to historic lows.

It is highly unlikely that Joe Biden can be more successful in pursuing this goal than his predecessor was. The United States simply has nothing to offer to President Putin

to make him reconsider his current close friendship with Chairman Xi Jinping – be it in economic, political, or strategic domains. Even if Biden were considering a new approach to the Kremlin, he would hardly be in a position to go for such a reset: the anti-Russian consensus in Washington is too strong and shows no signs of crumbling. It seems that the US-Russian relationship is locked in confrontational mode for many years to come.

The second option for Biden in trying to resurrect the US-China-Russia triangle would be to play on the opposite side of the stage, seeking an acceptable accommodation with the stronger Beijing and putting the squeeze on the weaker Moscow. Turning Kissinger's geopolitical scheme on its head is certain to find a host of supporters and advocates in Washington. For them, Russia makes a far more convenient opponent than China. The United States would have to pay an exorbitant price for a full-fledged confrontation with China: a drop in its vital bilateral trade, severance of established global technological chains, a rapid increase in military spending, etc. The US-Russia confrontation will cost much less given that there is very little economic and technological mutual dependence between the two states. Also, Moscow is far less prepared to engage in costly military competition with America.

However, is it realistic for Biden to count on a sweet deal with China? Such a deal requires the White House to be willing to reconsider its fundamental ideas about the place that the United States holds in the system of international relations. The US will have to abandon its claim to global American hegemony similar to that of the times of Henry Kissinger. Certainly, neither Biden nor his entourage are ready to do that. If a revolution in America's self-perception and its perception of the world ever starts, this is not likely to happen earlier than 2024 and, until that time, Washington-Beijing relations will remain complicated and tense.

Even more importantly – just as Donald Trump repeatedly saw that it was impossible to tear Russia away from China throughout the four years of his presidency – Joe Biden will repeatedly see that China cannot be torn away from Russia. Beijing needs Moscow regardless of the current state of China-US relations and their prospects for the future. China's leadership will be happy to act as an arbiter or “balancer” between Russia and the United States, but it will not actively support the US desire to corner Russia. In other words, if a US-China-Russia triangle could ever emerge, it would be a triangle with Beijing, not Washington, on the top of it.

⁵⁶ In accord with what Anthony Blinken, Biden's nominee for the position of US Secretary of State, has recently suggested, see: Lara Jakes, Michael Crowley, David E. Sanger, “Biden Chooses Anthony Blinken, Defender of Global Alliances, as Secretary of State,” *New York Times*, November 22, 2020: <<https://www.nytimes.com/2020/11/22/us/politics/biden-anthony-blinken-secretary-of-state.html>> (accessed December 13, 2020).

Thus, if the Biden administration attempts to resurrect the US-China-Russia triangle, it will not accomplish a lot. Under the current circumstances, a version of “dual containment” appears to be its most likely approach toward Beijing and Moscow, with China being treated more as a peer competitor and Russia as a global rogue state. To cut the costs of dual containment, the Biden administration will try to mobilize the Western allies of the United States in Europe and East Asia. It will also try to keep Eurasia divided by forging stronger ties to China’s adversaries in Asia – above all, to India. By doing so, Joe Biden will inevitably push the world closer to a new geopolitical bipolarity, rather than to a modernized version of the US-China-Russia triangle.

US-Russian Relations in a Biden Administration

By Angela Stent, Professor and Director of the Center for Eurasian, Russian, and East European Studies of Georgetown University

There are two important facts to remember when approaching the question of how a Biden administration will deal with Russia.⁵⁷ First, there is much more continuity in Russia policy between Republican and Democratic administrations than some would like to admit. Quite simply, the issues on the agenda with Russia do not change that much. Moreover, Russian President Vladimir Putin has de facto been in power for twenty years and may remain in the Kremlin for another sixteen. Dealing with Putin's Russia ensures that there will be continuity.

Second, even though every US administration since 1992 has tried its own "reset" with Russia, all have ended in disappointment. Washington's and Moscow's definition of what a productive relationship would look like are very different and their expectations for a reset do not align. The one exception was during the presidential interlude of Dmitry Medvedev when US President Barack Obama and Medvedev did improve ties; but that ended when Putin returned to the Kremlin. Under the best of circumstances, the US-Russian relationship is a compartmented one, in which areas of cooperation coexist with areas of competition and disagreement.

THE TRUMP LEGACY

The legacy of the Trump administration's policy toward Russia is unique inasmuch as there was a huge gulf between what Trump himself sought to accomplish with Russia and what the rest of the executive branch and the US Congress believed was appropriate.⁵⁸ Russia policy was bifurcated and often inconsistent. This policy has left a legacy with which the Biden team will have to deal.

- Because of Russia's 2016 interference in the US presidential election⁵⁹ and the Kremlin's obvious support for Donald Trump, Russia has become a toxic domestic issue in a way not seen since the 1950s, an integral part of the polarization of American society. It has been very difficult to have a rational discussion about Russia.
- The Trump administration can claim few accomplishments in its Russia policy, despite Trump's own desire to make a "deal" with President Putin. The US State Department jettisoned many of the normal diplomatic channels for interacting with Russia and high-level contacts were only sporadic.
- The main features of the administration's policy were diplomatic expulsions and rafts of sanctions in response to election interference and the Skripal poisonings.⁶⁰ These include halting the construction of the Nord Stream 2 pipeline by sanctioning European companies involved in the project.⁶¹
- The Trump administration pulled out of the Intermediate-Range Nuclear Forces Treaty and belatedly began negotiations on extending the New Strategic Arms Reduction Treaty (New START) while initially insisting that Chinese weapons be included in any future treaty.⁶² Its position shifted several times on these issues and Russia appears to have rejected the latest offer.
- It appears that Russia did not interfere in any concerted way in the 2020 election, raising the possibility that this issue could be viewed differently going forward.

⁵⁷ This chapter was finished in early December 2020. It thus reflects the situation of US-Russia relations at that time.

⁵⁸ Constanze Stelzenmüller, "America's Dysfunctional Russia Policy is Unlikely to Improve Under Biden," *Foreign Policy*, October 30, 2020: <<https://foreignpolicy.com/2020/10/30/election-2020-u-s-russia-trump-biden/>> (accessed December 18, 2020).

⁵⁹ For details, see: Special Counsel Robert S. Mueller III, "Report on the Investigation Into Russian Interference In the 2016 Presidential Elections," US Department of Justice, Washington DC, March 2019: <<https://www.justice.gov/storage/report.pdf>> (accessed December 18, 2020).

⁶⁰ Alina Polyakova, Filippos Letsas, "On the record: the US administration's actions on Russia," *Order from Chaos* (blog), Brookings Institution, December 31, 2019: <<https://www.brookings.edu/blog/order-from-chaos/2018/09/25/on-the-record-the-u-s-administrations-actions-on-russia/>> (accessed December 18, 2020).

⁶¹ Dianne Francis, "US expands sanctions against Putin's pipeline," *Ukraine Alert*, October 22, 2020: <<https://www.atlanticcouncil.org/blogs/ukrainealert/us-expands-sanctions-against-putins-pipeline/>> (accessed December 18, 2020).

⁶² Jack Detsch, "Trump Wants China on Board With New Arms Control Pact," *Foreign Policy*, July 23, 2020: <<https://foreignpolicy.com/2020/07/23/trump-china-russia-new-arms-control-agreement-start/>> (accessed December 18, 2020).

HOW MIGHT A BIDEN ADMINISTRATION DESIGN ITS POLICY TOWARD RUSSIA?

The Biden team has promised to restore diplomacy to what it used to be, end the politicization of the US Department of State, and bring back professional diplomats who were coerced into leaving. Part of this re-professionalization of the State Department would involve restoring channels of communication with Russia that have atrophied, including relaunching regular strategic stability talks. Biden has also pledged to reinvigorate relations with US allies in Europe and Asia and to recommit to NATO. In particular, there is a recognition that Washington and Berlin should work closely together as they approach ties with Russia.

There may also be moves to detoxify the domestic aspect of ties to Russia, since election interference may begin to recede as a toxic issue in US domestic politics.

The top priority for the Biden administration will be extending New START. The agreement expires on February 5, 2021, so there would be just over two weeks after his January 20 inauguration to accomplish this. If the treaty were to be extended for five years as is, then the Senate will not have to ratify it. The Russian Duma would have to, but one expects that, if the Kremlin wants this extension, it will happen.⁶³ There will also be negotiations on a follow-on treaty that might include new classes of weapons and some more countries, but this would all happen later. The issue of intermediate-range nuclear weapons could also be taken up again.

In addition, the Biden team will re-examine the sanctions that the Trump administration imposed in Russia. Congress took over sanctions policy from the White House and, now that they are enshrined in law, they are difficult to remove. But there will be a reassessment of how effective they have been in achieving the goal of altering Russian policy in Ukraine or diminishing election interference. Biden does not oppose sanctions and his team supports the sanctions on Nord Stream 2, but there could be a shift in the emphasis of the sanctions policy – and more sanctions could be imposed.

Since President Trump's impeachment in December 2019, the administration has not been active on Ukraine-related issues. The Biden team has committed itself to re-engaging

actively with Ukraine.⁶⁴ It is not yet known whether it will appoint a new Special Envoy for Ukraine, but this could also become part of its agenda with Moscow.

Biden may decide to re-join the Joint Comprehensive Plan of Action agreement with Iran. If so, this could be an area where Moscow and Washington work together, as they did during the Obama administration.⁶⁵

There are several other areas where the United States and Russia might work together. The first is climate change. Biden will recommit the United States to the Paris Accords. Putin, in his recent Valdai address, emphasized the dangers of climate change, something he has not done so explicitly before. If the Biden administration rejoins the World Health Organization and commits itself to international cooperation on infectious diseases, particularly COVID-19, this is another potential field for bilateral cooperation. The Arctic is another area where the United States and Russia both cooperate and compete. There is military competition and competition for resources. But both countries sit on the Arctic Council and Barents Sea Council and work together there. Arctic issues will gain in significance in the coming decade and demand more attention.

There is a significant question mark over the issue of cyber interference. Biden has promised to make Russia more accountable for its hostile cyber acts, possibly with the imposition of more sanctions. Russia is regarded, along with China, as a top cyber threat to the United States. The Russians have, on several occasions, offered to sit down with the United States and discuss a mutual cyber non-interference pact. So far, such offers have not been taken seriously and have been dismissed, but this situation might change.⁶⁶ Although a Biden administration will engage with Russia on some issues of mutual interest, there will also be push back on issues of democracy, human rights, and dark money.⁶⁷ The Biden team has committed itself to creating a global community of democracies and to imposing costs on countries that violate human rights. It has also indicated that there will be more scrutiny governing the ability of wealthy Russians to invest their money in the United States.

During the campaign, Biden called Putin a “thug” and said that Russia represented the greatest threat to the United

⁶³ David M. Herszenhorn, “US and Russia poised to extend New START arms treaty,” *Politico*, October 21, 2020: <<https://www.politico.eu/article/us-and-russia-poised-to-extend-new-start-treaty/>> (accessed December 18, 2020).

⁶⁴ Anders Åslund, “Why a Biden presidency is very good news for Ukraine,” *Ukraine Alert*, The Atlantic Council, November 8, 2020: <<https://www.atlanticcouncil.org/blogs/ukrainealert/why-a-biden-presidency-is-very-good-news-for-ukraine/>> (accessed December 18, 2020).

⁶⁵ Russia Matters, “Joe Biden and Kamala Harris on Russia,” November 9, 2020: <<https://russiamatters.org/analysis/joe-biden-and-kamala-harris-russia>> (accessed December 18, 2020).

⁶⁶ This piece was finalized before the hacking of several US government institutions that was first reported on December 13, 2020.

⁶⁷ Russia Matters, “Biden and Harris on Russia” (see note 65).

States. He has met Putin on several occasions and neither probably expects to have a cordial relationship with the other. Putin is the only major world leader to date who has not acknowledged Biden's victory and state-run Russian media are repeating American conspiracy theories from those who believe that the election was "stolen." This is perhaps not the best way to begin the relationship with the incoming Biden administration.

Officials from both the Obama and Trump administrations have complained that, when they have approached it with an agenda for negotiation, the Kremlin has not been responsive. "They gave us no space" for discussion is a common refrain. Whether a Biden administration succeeds in engaging Russia on issues of mutual interest depends on how responsive the Kremlin will be.

The US-Russian relationship is worse today than it has been at any time since Mikhail Gorbachev came to power in 1985. It will remain adversarial for the foreseeable future. But, under a Biden administration, relations with Russia could become more coherent and predictable and Russia could become a less toxic domestic issue. This alone would be a productive change from the last four years.

Conclusions and Outlook for 2021

By András Rác and Milan Nič

None of the challenges faced by Russia that were discussed in this report – either in domestic or foreign policy – could be efficiently addressed, let alone solved, in 2020.

THE TRAGEDY OF COVID-19

At present, the most pressing – and also tragic – challenge that Russian leadership is facing is the coronavirus crisis. While in January 2020, at the very beginning of the COVID-19 outbreak, Russia acted efficiently to isolate the first cases, later developments clearly got out of control. The harsh lockdown measures imposed in spring 2020 did not manage to significantly push down the number of active COVID-19 cases, which remained above 160,000 during that time. Starting in late September 2020, the country has been hit by a devastating second wave; by the end of the year, the number of active cases reached 547,000.

Russia's official statistics for 2020 show a relatively low number of COVID-related deaths, with some 55,000 fatalities by the end of the year. This means that, comparatively, Russia fared a lot better than the United Kingdom, France, or Italy did in this regard – not to mention the staggering data of more than 300,000 COVID-related deaths in the United States in that same period. Meanwhile, there has been plenty of criticism about the reliability of Russia's statistics as well as its methodology of reporting to the WHO. Russian statistics were mostly based on a substantial, unexpected growth in yearly death cases compared to the previous years, reaching some 220,000 fatalities. According to a

survey conducted by the Levada Center, more than 60 percent of Russian doctors did not believe the official coronavirus statistics as of July 2020.⁶⁸ Nevertheless, the Kremlin has adamantly kept arguing that the data has been accurate and Russia has been managing the crisis well.

This narrative was refuted by Deputy Prime Minister Tatyana Golikova on December 28, when she admitted⁶⁹ that some 81 percent of Russia's excess deaths were related to COVID-19. Based on Golikova's announcement, more than 186,000 Russians have died from the pandemic in 2020 instead of the 55,000 that were reported earlier. This means that Russia's real COVID-related death toll could be the world's third highest, following the United States and Brazil. Neither the official numbers nor the reporting methodology were adjusted after Golikova's revelation, however. And according to a survey conducted in mid-December 2020, while 57 percent of all Russians would be ready to get vaccinated against the coronavirus, only 38 percent would be ready to get the Sputnik V vaccine developed by Russia.⁷⁰

The staggeringly high number of fatalities, combined with an extremely low level of trust in the Russian-made vaccine, suggest that Russia's prospect for getting the pandemic under control in 2021 is rather bleak. Shortcomings in vaccine production present another problem. As of December 24, 2020, Russia planned to produce some 30 million doses of vaccine until June 2021⁷¹ – a pace that is far from sufficient when considering that Russia's population exceeds 140 million people. According to the head of the Gamaleya research laboratory, the producer of the Sputnik V vaccine, 100,000 doses are distributed every day.⁷² This means that, unless production can be massively upgraded, it might take way more than a year to produce the sufficient number of vaccines.

Relying on Western vaccines to bridge production shortcomings would mean a loss of prestige and political failure as the country moves toward State Duma elections that are due to take place no later than September 2021. Given that campaigning will be done amid a growing mood of protest across Russia, it is unlikely that the Kremlin will significantly adjust its policies of managing the pandemic. Coop-

68 Levada Center, "Bolshinstvo rossiyskikh vrachey ne doveryayut ofitsialnoy statistike po koronavirusu" [Majority of Russian doctors does not believe the official coronavirus statistics], July 7, 2020: <<https://www.levada.ru/2020/07/07/bolshinstvo-rossiyskikh-vrachey-ne-doverayut-ofitsialnoj-statistike-po-koronavirusu/>> (accessed January 4, 2021).

69 Government of Russia, "Briefing Tatyana Golikovy" [Briefing of Tatiana Golikova], December 28, 2020: <<http://government.ru/news/41238/>> (accessed January 4, 2021).

70 "Koronavirus: strakhi i vaksina" [Coronavirus: fears and vaccine], December 28, 2020: <<https://www.levada.ru/2020/12/28/koronavirus-strahi-i-vaksina/>> (accessed January 4, 2021).

71 "Rossiya planiruet proizvesti 30 millionov doz vaksini 'Sputnik V' k yuniyu" [Russia plans to produce 30 million doses of the vaccine "Sputnik V" by June], RIA Novosti, December 24, 2020: <<https://ria.ru/20201224/vaksina-1590752775.html>> (accessed January 10, 2021).

72 "Svishe milliona rossiyan privilis ot koronavirusa" [More than a million Russians got vaccinated against coronavirus], Lenta.ru, January 5, 2021: <<https://lenta.ru/news/2021/01/05/priv/>> (accessed January 10, 2021).

eration with the West on joint vaccine production might, however, be a way forward.⁷³

Meanwhile, it is important to note that Russia's economy is faring relatively well despite the decline caused by the pandemic. Contrary to catastrophic forecasts from the beginning of 2020, it had become clear by the end of the year that the Russian economy, although it took a hit, managed to avoid collapse. The overall slowdown is forecasted to be approximately 4 to 5 percent of GDP. Moreover, the massive reserves in the National Wealth Fund, which amount to nearly 180 billion USD, provide Russia with a cushion sufficient for several months, should economic and financial hardships prevail. Instead of using these funds to help the population by providing widespread benefits, the Kremlin is further increasing the reserves – probably due to concerns about future US sanctions.⁷⁴ The fact that Russia's economy turned out to be relatively more resilient compared to many Western economies might well reinforce Putin's overall assessment that the Russian economic model is better than the liberal Western one.⁷⁵

INCREASING SELF-ISOLATION FROM THE WEST

All in all, there is no imminent economic or financial pressure on the Kremlin to change its foreign policy course vis-à-vis the West – particularly because 2020 has hardly been an easy year for Russian-Western relations. The victory of Joe Biden in the US presidential elections is likely to pave the way for a more coherent, more principled, and significantly more heavy-handed policy on Russia. This is particularly likely to be true in light of the recently discovered and not yet fully understood hacking attacks against US government servers. Yet, this policy may well be more predictable than that of the Trump era and even more cooperative in certain issues such as arms control. In the short run, however, this predictability is only likely to mean steadily cold relations, in which cooperation is limited to the most necessary fields, including a limited extension of New START in February 2021.

Still, any new agreements on arms control will be very difficult to reach. Many fundamental disagreements remain, including on engaging China and other nuclear pow-

ers. According to Andrey Kortunov, Europe is moving into a very dangerous interim period. Although no legally binding US-Russian agreements in strategic arms control will be in place, new technologies will continue to allow more and more disruptive activities to shift to the cyber arena, space, or artificial intelligence.

Meanwhile, Russia's relations with Europe are now in a deadlock that is unlikely to be resolved soon. Relations were already burdened before 2020, first and foremost by Russia's illegal annexation of the Crimea and the war in eastern Ukraine, but also by various efforts to interfere in European elections – including those in Germany – and tensions over energy supplies. However, the August 2019 murder of Zelimkhan Khangoshvili in Berlin's Kleiner Tiergarten park, the newly emerged details about Russia's hacking attack against the Bundestag, and, most importantly, the August 2020 poisoning of Alexei Navalny worsened relations further. These developments inflicted lasting damage on the willingness of Germany – and also the EU – to actively strive for better relations with Russia as each side is only willing to engage in cooperation on its own terms. Russian leadership is losing interest in dealing with Europe and remains convinced that time is on their side.

In light of these developments, China remained Russia's sole great power partner in international affairs. As of 2020, the cooperation between Moscow and Beijing is far from any kind of an established alliance. Instead, their cooperation is more based on temporarily shared interests – a kind of marriage of convenience – in which there are strong limits to mutual trust, and both parties have only very limited willingness to take up any confrontation in support of the other.

It is also a very asymmetrical partnership. The Chinese economy is more than seven times larger than Russia's. Even if Moscow can offer geopolitical and strategic support, it cannot do much to help China in economic terms, including in a trade war with the United States. For its part, the Kremlin is very careful not to fall too much into China's embrace.

Nevertheless, under Presidents Xi and Putin, strategic cooperation between both powers is deemed to increase in importance. China still needs Russia to gain a military edge and strategic depth for its policy of confrontation to Taiwan and over the islands in the South China Sea. Also, China sees the

⁷³ Carlo Martuscelli, "Russia and Germany discussing joint vaccine production, Kremlin says," *Politico*, January 5, 2021: <<https://www.politico.eu/article/russia-germany-angela-merkel-vladimir-putin-coronavirus-vaccine-production-sputnik-cooperation/>> (accessed January 10, 2021).

⁷⁴ Natasha Doff, Evgeniya Pismennaya, "Putin's Been Stingy With Stimulus Because of Sanction Fears," *Bloomberg*, November 6, 2020: <<https://www.bloomberg.com/news/articles/2020-11-06/covid-pandemic-putin-reluctant-with-stimulus-despite-russia-s-reserves?sref=9FMcma5m>> (accessed January 12, 2021).

⁷⁵ Kadri Liik, "Russia's relative resilience: why Putin feels vindicated by the pandemic?", ECFR Policy Brief, December 17, 2020: <<https://ecfr.eu/publication/russias-relative-resilience-why-putin-feels-vindicated-by-the-pandemic/>> (accessed January 12, 2021).

opportunity to learn from Russia's experience with military combat, cyber operations, and disinformation campaigns as an increasingly valuable asset. This may lead to the conclusion that, in the near future, Europe may well experience more of such moves – primarily in the cyber and information domains – not only from Russia, but also from China.

All in all, Russia's increasing orientation toward China and efforts to build up a joint anti-American center of power in Eurasia is a longer-term phenomenon likely to last.

THE YEAR 2021 IS UNLIKELY TO BE ANY BETTER

By the end of 2020, it became spectacularly evident that Russia is not interested in maintaining good relations with the West if that would require Russia to make any significant concessions. Moscow has been increasingly refusing to conduct its foreign policy according to Western normative values; in fact, the joint rejection of these values serves as one of the cornerstones of its partnership with China. This is unlikely to change in 2021. Instead, domestic political pressures resulting from the approaching Duma election make any concessions even more improbable.

There is also no reason to hope that Russia will stop its efforts to interfere in the domestic politics of Western countries, as illustrated by the aforementioned large-scale hacking of US government servers that was recently discovered and by several waves of COVID-related disinformation campaigns. Consequently, awareness needs to be maintained and resilience against hostile interference efforts further strengthened. This is particularly relevant in light of Germany's upcoming Bundestag elections.

While some may argue that, because the sanctions adopted by the United States and European Union have, so far, failed to stop Russia from trying to interfere in the domestic affairs of Western countries, they are inefficient and unnecessary, this is not the case. Sanctions, particularly those related to the financial, energy, and defense industries, have considerably increased the costs that Moscow needs to pay for rogue actions. While sanctions evidently did not deter Moscow from interference efforts, they considerably degraded the capabilities Russia may use for such purposes. Hence, sanctions need not be seen as a binary tool that either fully works or fully fails, but rather as a tool that helps put pressure on an adversary.

All in all, similarly to the past year, 2021 is unlikely to bring any major improvement in relations between Russia and the West. Further worsening is, however, possible. The recent detainment of Alexei Navalny upon his return to Russia on January 17, 2021, may indeed lead to a further deterioration of EU-Russia ties and particularly those between Germany and Russia. This will be especially true if Navalny's controversial, yet suspended, sentence of three and a half years gets transformed into actual imprisonment.

If that happens, neither the EU nor Germany will have any other choice but to adopt further measures against Russia. After taking a hard stance on Navalny's poisoning in the summer and autumn of 2020, both Brussels and Berlin are politically bound to continue standing up for him, simply for the sake of their own credibility. Potential punitive measures may include not only further personal sanctions, but also the possible freeze of construction on Nord Stream 2, particularly because it overlaps with the intentions of the Biden administration. Moreover, if Russian authorities imprison the most important opposition figure right before the Duma elections, it may raise the possibility of the EU not recognizing the results of that election at all. From the Kremlin's perspective, however, domestic considerations almost always trump foreign policy costs; hence, it is unlikely that even the toughest EU measures would be able to deter Russia from imprisoning Alexei Navalny.

The likelihood of the further deterioration of relations with Russia leaves the EU and Germany with one remaining option. They need to intelligently manage the situation that is going to emerge when any improvement of strategic scale becomes out of reach in the short and medium term. This does not mean that occasional, issue-based cooperation should be rejected outright. Instead, questions related to global warming, environmental issues, and particularly the Arctic may indeed offer Russia an opportunity to willingly, honestly, and substantially cooperate.

Handling the COVID-19 crisis may also constitute such an opportunity, depending on how successful Russia's own vaccination efforts will be. If they do not meet expectations, widespread international cooperation might become necessary; the immunization of the Eurasian continent is not realistic unless the Russian population is provided with proper vaccines. However, it is important for both the EU and Germany to maintain selective engagement and avoid cross-topic concessions – for example, when a favor is granted in one sector to achieve progress in another. Progress in issues related to combating COVID-19 or climate

change must not result in weakened support for human rights and democratic freedoms.

Meanwhile, due to the upcoming Bundestag elections, Germany can hardly afford the luxury of not paying both attention and resources to increase its resilience against any possible outside interference efforts, including ones by Russia. Hence, an opportunity for improving Germany-Russia and EU-Russia relations may realistically only present itself after both the German and Russian parliamentary elections scheduled for September 2021. It is also likely that Moscow will wait for the next German chancellor to engage.



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